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DECISION

THE COMPTROLLER GENERAL
OF THE UNITED STATES

WASHINGTON, D. C. 20548

FILE: B-194436

DATE: September 12, 1979

MATTER OF:

C. T. Bone, Inc. *DLG 02724**[Protest Alleging That Awardee's Bid Was Nonresponsive]*

DIGEST:

1. Where agency does not have sufficient funds available to make award for base item and all three additive items, low bid need not be rejected as nonresponsive for failing to offer definite price for third additive, since bids were evaluated on basis of prices offered for only base item and first two additives.
2. Omission of decimal points from most unit price entries does not render low bid nonresponsive since intended unit prices can be determined from extended prices.
3. Low bidder's failure to initial numerous changes and corrections in its bid may be waived as minor informality since intended bid price is apparent from face of bid.
4. Ambiguity is not created by low bidder's entry of two figures for total price offered for second additive since examination of subitem prices allows intended total price to be mathematically determined.

2726- C. T. Bone, Inc. (Bone), protests the award of a contract under invitation for bids (IFB) DABT10-79-B-0083 issued by the Procurement Division, United States Army (Army), Fort Benning, Georgia. Bone argues that the bid of Columbus Insulating Co., Inc. (Columbus) is nonresponsive because (1) 34 out of 48 unit price entries contain no discernible decimal points making it difficult to determine what price Columbus was actually offering, (2) there are 30 corrections to the bid which were not initialed as required by the IFB, (3) for both additive item II and additive item III Columbus left two separate figures as the estimated *02725*

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aggregate amount for all work required by the respective items making it unclear what prices were in fact being offered, and (4) no figure at all was entered for the sum of the estimated aggregate amount for the base bid plus the three additive items. For the reasons indicated below, the protest is denied.

The IFB solicited bids for the replacement of deteriorated pipe insulation and related work in permanent barracks at Fort Benning. Four bids were received. When the Columbus bid was opened, the bid opening officer noticed some discrepancies. The Columbus representative then stated that he had accidentally submitted his work copy of the bid. The bid opening officer, however, would not permit any alteration of the bid and informed the Columbus representative that the contracting officer would have to review the bid to determine if it was responsive to the IFB's requirements. The next day Bone filed its protest with our Office.

The Army has \$632,350 available for this project. Therefore, as authorized by Armed Services Procurement Regulation/Defense Acquisition Regulation (ASPR/DAR) § 2-201(b)(xli) (1976 ed.), the IFB provided for a base bid and three additive items on the grounds that the funds available may be insufficient for all the work desired. In this connection, the IFB provided:

"Award will be made to the lowest responsive and responsible bidder for the Base Bid and any Additive or combination of Additives in accordance with Paragraph entitled 'Additive or Deductive Items' in the Invitation for Bids, Standard Form 20. Except for lump sum bid items, bidders must include unit prices for each item so that bids may be properly evaluated."

The "Additive or Deductive Items" paragraph reads as follows:

"18. ADDITIVE OR DEDUCTIVE ITEMS (68 Apr) (ASPR 7-2003.28): The low bidder for purposes of award shall be the conforming responsible bidder offering the low aggregate amount for the first or base bid item, plus or minus (in the order of priority listed in the schedule) those additive or deductive bid items providing the most features of the work within the funds determined by the Government to be available before bids are opened. If addition of another bid item in the listed order of priority would make the award exceed such funds for all bidders, it shall be skipped and the next subsequent additive bid item in a lower amount shall be added if award thereon can be made within such funds. For example, when the amount available is \$100,000 and a bidder's base bid and four successive additives are \$85,000, \$10,000, \$8,000, \$6,000 and \$4,000, the aggregate amount of the bid for purposes of award would be \$99,000 for the base bid plus the first and fourth additives, the second and third additives being skipped because each of them would cause the aggregate bid to exceed \$100,000. In any case all bids shall be evaluated on the basis of the same additive or deductive bid items, determined as above provided. The listed order or priority need be followed only for determining the low bidder. After determination of the low bidder as stated, award in the best interests of the Government may be made to him on his base bid and any combination of his additive or deductive bid for which funds are determined to be available at the time of the award, provided that award on such combination of bid items does not exceed the amount by any other conforming responsible bidder for the same combination of bid items."

From a review of the bid prices and the funds available at the time of bid opening, the Army concluded that it only had sufficient funds to cover the base bid and additives I and II.

The Army states that when it evaluated the bids only on the basis of the base bid and additives I and II, it determined Columbus and Bone to be the two lowest aggregate bidders as follows:

	<u>Base Bid</u>	<u>Add. I</u>	<u>Add. II</u>	<u>Total</u>
Columbus	\$363,302	53,720	173,944	590,966
Bone	\$369,183	46,350	213,146	628,679

Regarding the two prices entered for additive III, our Office has recognized that a pricing response which would render a bid nonresponsive does not necessarily require rejection of the bid if the item is not to be included in the award. 52 Comp. Gen. 190 (1972); Mitchell Brothers General Contractors, B-192428, August 31, 1978, 78-2 CPD 163. Here, the Army, in accordance with ASPR/DAR § 2-201(b)(xli), determined prior to bid opening that only \$632,350 was available for the project. When bids were opened, it further determined that the funds available only permitted an award for the base item plus additives I and II. An award on this basis is clearly authorized by the IFB's "ADDITIVE OR DEDUCTIVE ITEMS" clause. Therefore, Columbus' failure to bid a single figure for the estimated aggregate amount for additive III, or any amount for the sum of the work to be done in the base bid and the three additive items, did not render its bid nonresponsive since additive III was not included in the award. Mitchell Brothers General Contractors, supra.

Regarding the lack of any discernible decimal points in most of Columbus' entries for unit prices, we have held that even in a case such as this where the unit price rather than the extended price is controlling in the case of a price discrepancy, errors in the unit prices may be corrected if the intended unit price can be determined from the bid itself.

Shamrock Five Construction Company, B-191749, August 16, 1978, 78-2 CPD 123; Engle Acoustic & Tile, Inc., B-190467, January 27, 1978, 78-1 CPD 72; Worldwide Services, Incorporated, B-187600, January 6, 1977, 77-1 CPD 12. An examination of the Columbus bid reveals that the extended prices can be easily understood since they have commas in the proper places and elevated double zeros indicating cents. Since there is no confusion regarding the extended prices, it is then a simple mathematical process (extended price divided by estimated quantity) to determine the unit price intended. We note that unlike the situation in 43 Comp. Gen. 581 (1964), cited by the protester, no extraneous evidence is necessary to determine the intention of the bidder. Accordingly, the omission of decimals from the unit prices is not a basis to find the Columbus bid nonresponsive.

Concerning Columbus' failure to initial its numerous corrections, we have held that the failure to initial changes or corrections in a bid is a matter of form which may be considered an informality and waived in the interest of the Government. Durden & Fulton, Inc., B-192203, September 5, 1978, 78-2 CPD 172; Jordan Contracting Company; Griffin Construction Company, Inc., B-186836, September 16, 1976, 76-2 CPD 250. We further note that ASPR/DAR § 2-405 (1976 ed.) also permits waiver of such minor informalities. Therefore, Columbus' failure to initial the corrections may be waived as a minor informality since it is apparent from the face of its bid what Columbus' intended bid price was. The question remaining is whether the Columbus bid is nonresponsive because of the two figures (\$139,500 and \$173,944) entered for the estimated aggregate amount for all the work called for in additive II. Bone's position is essentially that the presence of these two figures creates an ambiguity which makes it impossible to determine the actual bid intended. The Army, on the other hand, maintains that by examining the entries made on the Columbus bid, it is apparent that the intended bid is \$173,944, and since this is the only reasonable interpretation possible, no ambiguity exists and the bid is responsive.

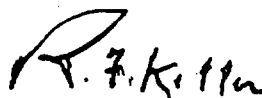
We have stated that the test to be applied in determining the responsiveness of a bid is whether the bid as submitted is an offer to perform, without exception, the exact thing called for in the invitation and upon acceptance will bind the contractor to perform in accordance with all the terms and conditions thereof. 49 Comp. Gen. 553 (1970). A bid which fails to offer a definite, fixed price as required by the IFB does not meet this test since it creates an ambiguity and thus is not an offer which if accepted will bind the contractor to perform in accordance with all the terms and conditions of the IFB. State Mutual Book & Periodical Service, Ltd., B-194150, March 23, 1979, 79-1 CPD 201; M. A. Barr, Inc., B-189142, August 3, 1977, 77-2 CPD 77. Yet, we have also recognized that the mere allegation that something is ambiguous does not make it so. Some factor in a writing may be somewhat confusing without constituting an ambiguity, provided that an application of reason would serve to remove the doubt. Thus, an ambiguity exists only if two or more reasonable interpretations are possible. 48 Comp. Gen. 757 (1969).

Here, Bone believes that there are several possible interpretations of the price Columbus offers for additive II. We do not agree. The entry for the estimated aggregate amount for all work in additive II is reached by adding the price offered for item No. 3A with the price offered for item No. 3B. For item 3A, the Columbus bid shows that the figure \$127,350 has been crossed out and that written directly above it is the figure \$161,794. For item 3B, first the figure \$10,150 was inserted but then crossed out. Above that, the figure \$15,667 was then written but this too was crossed out. Finally, directly above these two crossed-out figures, Columbus inserted the figure \$12,150. Therefore, by adding \$161,794 (item 3A) and \$12,150 (item 3B), the sum of \$173,944 is reached for the estimated aggregate amount for all work in additive II. Yet, in the space provided for this aggregate amount, Columbus first entered the figure \$137,500 but crossed it out leaving the figure \$139,500 directly above it and the figure \$173,944 directly

below it. We believe that while at first this may be somewhat confusing, an application of reason quickly removes the doubt. As shown above, by adding the prices offered for items 3A and 3B of additive II, the bid Columbus intended to offer for the estimated aggregate amount can be readily ascertained. This is in fact what the Army did. Any confusion only arises if the two figures (\$139,500 and \$173,944) are viewed in isolation; however, the proper procedure is to reach an interpretation by examining the two figures in the context of all the prices submitted in response to additive II. Cf. The Entwistle Company, B-192990, February 15, 1979, 79-1 CPD 112. Therefore, since there is only one reasonable interpretation of the Columbus offer for additive II, no ambiguity exists and the Columbus bid is responsive.

Even assuming, arguendo, that the price for additive II was ambiguous, the Columbus bid is low using either figure and, therefore, acceptance of the bid would be proper since it would not prejudice any other bidder. See Sierra Engineering Company, 55 Comp. Gen. 1146, 1150 (1976), 76-1 CPD 342.

Protest denied.



Deputy Comptroller General
of the United States